

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Periodic Reporting  
(Proposal Ten)

Docket No. RM2015-19

PUBLIC REPRESENTATIVE MOTION  
FOR ISSUANCE OF INFORMATION REQUEST

(August 26, 2015)

Pursuant to Rules 39 C.F.R. §3001.21(a) and 39 C.F.R. §3007.3(c), the Public Representative requests that an Information Request be issued to obtain additional clarifying data and explanation from the Postal Service concerning its proposal to change analytical principles relating to the proposed merger of Cost Segments 3 and 4 for purposes of constructing the CRA Report.<sup>1</sup>

Responses to the questions set forth below are intended to enhance understanding of Proposal Ten so as to allow participants to provide more constructive comments and evaluate whether the proposal meets applicable legal and regulatory requirements. Obtaining this information will also contribute to a better understanding of how the Postal Service has interpreted Commission rules and allow the Commission to make a fully informed, reasoned determination on whether the Proposal Ten meets applicable legal and regulatory requirements, including 39 U.S.C. §3622(c)(10) and 39 C.F.R. part 3010.

**Proposed Questions**

1. Please explain the increase in costs for Cost Segment 4 between FY2013 and FY2014 compared to the decrease in Cost Segment 3 costs, as the arbitration

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<sup>1</sup> See Notice of Proposed Rulemaking on Analytical Principles Used in Periodic Reporting (Proposal Ten), August 12, 2015.

decision increasing the number of clerks in rural post offices only took effect at the end of FY2014.

2. How has the arbitration decision affected data collection efforts for CAG K offices in FY2015, as the decision adds more clerks to CAG K offices? How will the arbitration decision affect data collection efforts for CAG K offices in FY 2016?
3. In Table 1 included in the Postal Service's petition ("The impact of merging CS4 costs with CS3 costs by product"), the cost of in-county periodicals increases 1.28%, an apparent outlier in the percent distribution of cost changes. Please explain the magnitude of this change, particularly when Cost Segment 4 lists no costs for in-county periodicals. If this is due to sampling issues, please clarify how you determined this number.
4. The IOCS documentation for the 2014 ACR states that approximately half of the clerk responses for CAG K were BF4, meaning unavailable. Please explain the impact on data validity of reducing these non-responses.
5. A T-test assuming unequal variances between the tally dollar values of CAG K and CAG H/J clerks using IOCS data from the 2014 ACR revealed a statistically significantly different mean. If this result is correct, please explain the appropriateness of including CAG H through L as one stratum when combining Cost Segment 3 and Cost Segment 4.
6. The Postal Service states on Page 3 of Proposal Ten states that "The clerk cost effects occur in both Cost Segment 3 and Cost Segment 4, with the implication that analyzing the effects of POSTPlan may be complicated by including the affected clerk costs in two distinct cost segments." Assuming implementation of

Proposal Ten, how will the Postal Service utilize the merged Cost Segment 3 and Cost Segment 4 costs in analyzing the effects of POStPlan?

Respectfully submitted,

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